

Message Text

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47

ACTION ARA-20

INFO OCT-01 ISO-00 AGR-20 CEA-02 CIAE-00 COME-00 DODE-00

EB-11 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06 NSAE-00

NSC-07 PA-04 RSC-01 AID-20 CIEP-02 SS-20 STR-08

TAR-02 TRSE-00 USIA-15 PRS-01 SP-03 OMB-01 SWF-02

SIL-01 DRC-01 /174 W

----- 061485

R 062115Z MAY 74

FM AMEMBASSY TEGUCIGALPA

TO SECSTATE WASHDC 7019

INFO AMEMBASSY BOGOTA

AMEMBASSY BRASILIA

AMEMBASSY GUATEMALA

AMCONSUL GUAYAQUIL

AMEMBASSY MANAGUA

AMEMBASSY PANAMA

AMEMBASSY QUITO

AMEMBASSY SAN JOSE

LIMITED OFFICIAL USE TEGUCIGALPA 1897

GUATEMALA ALSO FOR ROCAP

E.O. 11652: N/A

TAGS: EIND, HO

SUBJECT: BANANAS: VIEWS OF GOH MINISTERS

REF: TEGUCIGALPA 1871 AND TEGUCIGALPA 1896

SUMMARY: MINFIN ACOSTA BONILLA EXPRESSED GRAVE CONCERN

ATTITUDE STANDARD FRUIT IN REFUSING TO SHIP BANANAS.

WOULD LEAD "IN VERY SHORT TIME" TO CONFRONTATION AND

VIOLENCE. MINLAB FONSECA LIKEWISE DEEPLY CONCERNED

OVER DEVELOPMENTS AND LAYOFFS AT STANDARD FRUIT.

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MINECON BENNATON ON TOUR NEIGHBORING COUNTRIES FOR

CONSULTATIONS. END SUMMARY.

1. MINFIN ACOSTA BONILLA CALLED ON AMBAASADOR AND DCM AFTERNOON MAY 3, AND EXPRESSED GRAVE CONCERN THAT STANDARD'S REFUSAL TO SHIP BANANAS WOULD LEAD "IN VERY SHORT TIME" TO CONFRONTATION AND VIOLENCE. HE CONTRASTED STANDARD'S OBSTINACY WITH UNITED FRUIT'S CONTINUED WILLINGNESS TO SHIP AND DREW INFERENCE THAT THIS DISPARITY OF PROCEDURE GAVE EVIDENCE THAT STANDARD'S POSITION WAS POLITICALLY RATHER THAN PURELY ECONOMICALLY MOTIVATED. HE SAID GOH WAS CONCLUDING THAT STANDARD INTENDED DIRECTLY TO CHALLENGE THE GOVERNMENT, AND SINCE QUESTIONS OF NATIONAL SOVEREIGNTY WERE INVOLVED GOVERNMENT WOULD NOT BACK DOWN. ACOSTA NOTED WORK LAYOFFS WHICH HAD OCCURRED SO FAR, AND SAID THAT SUTRASFCO (STANDARD WORKERS' UNION) WAS CHAFING. SITUATION COULD LEAD TO VIOLENCE.

2. ACOSTA SAID THAT GOH WOULD CONSIDER ANY PROPOSALS MADE BY STANDARD, BUT THAT COMPANY WAS NOT MAKING ANY. HE WONDERED WHETHER EMBASSY KNEW OF STANDARD'S INTENTIONS, OR COULD INFLUENCE THEM TOWARDS DIALOGUE.

3. WE REPLIED THAT WE HAD LAST TALKED TO STANDARD EXECUTIVES IN DEPTH THREE OR FOUR WEEKS AGO, WITH RECENT CONTACTS PRETTY WELL CONFINED TO SHORT PHONE CALLS. HOWEVER, WE SAW NO SURPRISES OR CHANGES IN THEIR POLICY. THEY HAD ANNOUNCED TO GOH SOME WEEKS AGO THEIR CONCLUSION THAT THEY WOULD PROBABLY NOT SHIP PROFITABLY AT PROJECTED NEW PRICES, AND THEY WERE NOW PRESUMABLY ACTING OUT THAT ASSUMPTION.

4. MINLAB FONSECA IN SEPARATE CONVERSATION REINFORCED SENSE OF DECAYING RELATIONSHIP BETWEEN GOH AND STANDARD BECAUSE OF LAYOFFS.

5. MINECON BENNATON TRAVELING OUT OF COUNTRY REPORTEDLY CONSULTING WITH OTHER BANANA EXPORTING COUNTRIES. SCHEDULED RETURN MAY 10.
SANCHEZ

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